

DRAFT: 26 February 1973

Honorable James Abourezk
United States Senate
Washington, D. C. 20510

Dear Senator Abourezk:

In your letter of 16 February you ask for answers to five questions set forth therein.

In the interest of providing the earliest possible response to your questions, we have referred your letter to Air America's Washington office at 1725 K Street, N. W., for their priority attention to the first three questions.

In connection with question 4, the Central Intelligence Agency has no plans for letting out contracts to any airlines for South Vietnam, and we are unaware of any plans for such contracts by AID, the Defense Department, or the U.S. Embassy.

With regard to question 5, this Agency has no information about plans for supplying equipment to ARVN paramilitary units, police units, or irregular units in South Vietnam. The Defense Department, which would be responsible for any such supply programs, is in the best position to respond to this question.

I trust these responses will meet your needs.

Sincerely,

AIR AMERICA, INC.

1725 K STREET, N.W.
WASHINGTON, D.C. 20006

TELEPHONE (202) 223-6111

CABLE ADDRESS
AIRAMERICA

Dear Senator Abourezk:

It has been brought to our attention that you have asked several questions regarding our operations in South Vietnam and the following is offered for your information.

Air America currently employs approximately 920 people in South Vietnam of whom 586 are Vietnamese, 228 are third country nationals, and 106 Americans. These people are employed to meet the requirements of our contract operations in South Vietnam which include two contracts with the U.S. Government, a contract with the United States Agency for International Development (USAID) identified as AID/VN-100, and a contract with the U.S. Air Force identified as F49604-70-C-0023, both of which contracts by their terms would expire June 30, 1973. Although no exact dollar valuations can be placed on those contracts prior to their conclusion, since normal U.S. Government contract provisions, including terminations for the convenience of the Government, are reserved to the Government Contracting Officers, it now appears that for USGFY'73 the approximate dollar values of those contracts will be \$9,500,000. for AID/VN-100 and \$600,000. for the USAF contract.

The services provided under these contracts include flying and related services. The flying services involve the movement by air of passengers and general cargo throughout South Vietnam, and the related services involve the maintenance support required to keep the assigned

With regard to what future business Air America may have in South Vietnam with USAID, or any other U.S. Government agency, we are of course unable to determine at this time since such business would be provided under a contract developed and negotiated from a proposal on our part responsive to conditions set forth in a Request for Proposal, which is the normal contracting procedure. There are no Requests for Proposals pending at this time.

Yours truly,

United States Senate

OGC 73-0310

WASHINGTON, D.C. 20510

February 16, 1973

Mr. James Schlesinger
Director
Central Intelligence Agency
Washington, D. C. 20505

Dear Mr. Schlesinger:

It has been reported in the press that Air America will be continuing its role in Vietnam after April 1, 1973. For example, an article in the February 9th issue of the New York Times stated that, "one of the largest companies working on contract for the Agency for International Development is Air America, a private airline that is said to have been started by the Central Intelligence Agency and which does work for the United States government in Laos. The airline is expected to enlarge its operations in South Vietnam as the last American military planes leave." I am curious about these reports, and I would appreciate it if you would answer the following questions:

- 1) How many United States nationals, third-country nationals or Vietnamese are presently employed by Air America in South Vietnam? How many contracts with United States government agencies does Air America hold in South Vietnam, and what is the dollar value of each contract? What functions does Air America perform under each contract?
- 2) By the end of F.Y. '73, June 30, 1973, how many U.S. nationals, third-country nationals, and Vietnamese will Air America be employing in South Vietnam? How many contracts with U.S. government agencies will Air America hold in South Vietnam at that time, and what will be the dollar value of each contract? What functions will Air America perform under each contract?

Page Two

Mr. James Schlesinger

February 16, 1973

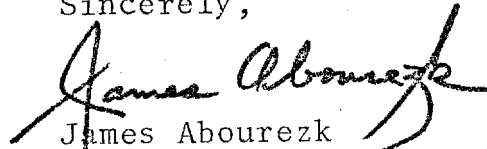
3) How many U.S. nationals, third-country nationals, and Vietnamese do you expect that Air America will employ in South Vietnam by the end of F.Y. '74? How many contracts with U.S. government agencies do you expect that Air America will hold in South Vietnam by the end of F.Y. '74, and what do you expect that the dollar value of each contract will be? What functions do you expect that Air America will perform under each contract?

4) By the end of F.Y. '73, will the Defense Department, Agency for International Development, the United States Embassy or the Central Intelligence Agency be letting out contracts to any other American-owned, third-country-owned, or Vietnamese-owned air lines for South Vietnam?

5). Will Air America or any other U.S. funded company be supplying arms, ammunition, materiel, food or medical supplies to ARVN paramilitary units, police units, or irregular units similar to the CIA's "Secret Army" in Laos?

I will look forward to receiving your prompt and comprehensive response to these questions.

Sincerely,


James Abourezk
United States Senator

State



CENTRAL INTELLIGENCE AGENCY

Office of Legislative Counsel

Washington, D. C. 20505

26 February 1973

TO: Honorable Marshall Wright
Deputy Assistant Secretary of State for
Congressional Relations
Washington, D. C.

With reference to George Cary's call to you today, we feel it is important that we make an immediate response to Senator Abourezk's letter. Drafts of letters from Air America and this Agency which will be sent out tomorrow morning are attached for your information and guidance in the event you receive a similar inquiry from Senator Abourezk.

(John M. Maury
Legislative Counsel

FORM 1533
6-69 OBSOLETE
PREVIOUS
EDITIONS

(40)

STAT

STAT